

Energy Supplies

the work for that project. Petro-Canada is supplying cash. They are taking it out of the Consolidated Revenue Fund and delivering it.

According to the Deputy Prime Minister, Petro-Canada was supposed to have found some gas off Labrador. I might say, parenthetically, that finding gas off Labrador is a boo-boo because everybody knows there is gas there. You go out there to look for oil—there is oil out there too. Finding gas off Labrador can be almost called a costly mistake. However, it was not Petro-Canada but Chevron Standard, a multinational of California, that dug that well. Petro-Canada supplied some of the cash but did not drill the well.

We have to put some of these things into perspective. To give you an example of the kind of distortion that goes on, let me say that last year Petro-Canada, when it issued its annual report, issued a press release which said that Petro-Canada had \$88 million in net revenue. So the Canadian Press reporter dutifully reported that Petro-Canada had \$88 million in net profit. That was a headline. I received the annual report and looked at it and found that \$88 million was the gross proceeds, but when you took off things like wages, salaries and rent, trivial things like that, the income came down to \$9 million. Then, when you paid taxes, it came down to \$5 million. When you work that out as a return on the investment, it worked out to a return of 1.7 per cent. So the Government of Canada is borrowing money in Japan and elsewhere and paying 10 per cent for that money, which it is then investing in Petro-Canada in return for which it gets 1.7 per cent, and it is singing a hallelujah chorus about the great investment it is making. It is absurd, Mr. Speaker.

We have maintained a consistent position with regard to Petro-Canada, and indeed with regard to all Crown corporations, for a number of very good reasons. First, the government does not even know how many Crown corporations there are. There are over 400, but nobody ever there can tell you how many there are.

Second, the Auditor General indicated in his 1976 report that the financial management and control of Crown corporations are significantly below the minimum acceptable standards. We think that is a serious charge.

Third, we have observed, and I am sure the public has observed, the way ministers misuse Crown corporations. For example, when Atomic Energy of Canada Limited sold a reactor to Argentina, the predecessor of this minister, the Hon. Donald Macdonald, was out there on television saying what a magnificent Crown corporation this is, "We have done a super job, we have sold a reactor." Then when we found they had to pay under the counter kickbacks to a number of Swiss bank accounts, and that there was some hanky-panky involved, his successor could not be found. They said, "Atomic Energy of Canada Limited—never heard of it. Don't ask us." They take all the credit when they do something good, and they run and hide when they do something wrong. That is contrary to our view of what a government based on responsible ministers is supposed to do.

● (2100)

When we talk about political interference with Crown corporations we have to recall again the appointment of Bryce Mackasey to the chairmanship of Air Canada. What is to prevent this irresponsible government from reappointing Maurice Strong to the chairmanship of PetroCan or, worse still, Ron Basford, the latest departure from over there? What is to prevent the appointment of somebody else who knows nothing about the business? If you think that will not happen, then just look at what has happened. The man who loused up the Post Office is now going to have a go at the airline, at \$95,000 a year.

This conflict between the political goals of a political government and the commercial goals of a commercial corporation is at the root of what is wrong with the way this government is using Crown corporations. There is a confusion of the goals. The Deputy Prime Minister and President of the Privy Council has said, "Is it not marvellous that Petro-Canada is financing this operation for Nova Scotia?" It is, if they find oil, but there has been a lot of exploration out there which has come up dry so far. No one has asked, for example, whether it would not be better to take that money now going into dry holes and use it for the development of new mines in Cape Breton, or for the improvement of the mines already there. That would bring on more coal and contribute to our energy self-sufficiency, and in the process would create jobs. I wonder whether the Deputy Prime Minister and President of the Privy Council has ever thought of these kinds of comparisons.

Any fool can dip into the Consolidated Revenue Fund, that bottomless pit, take out money, give it to an oil company and say, "Build me a well." But it takes some wisdom to decide how best to spend the money to the maximum benefit of Canada. That is not something this government is doing.

Petro-Canada is the only oil company I know of, and there are 487 in my constituency, that has a Ph.D. in political science on staff. Imagine a political scientist in an oil company. Why is that? I suggest it is because its goals are political goals. Any other oil company, if it had that money, would hire a geologist, a geophysicist or a driller. Petro-Canada hires a political scientist. Is that what we want our money spent on?

Last fall when Petro-Canada took over Pacific Pete the minister said this would reduce the requirement on the public purse. "PetroCan will not need our money, it will get it from Pacific Pete." There was an indication in the blue book tabled yesterday that PetroCan is getting another \$160 million out of your jeans and my jeans.

The minister also said that Petro-Canada was responsible for generating interest in heavy oils. When I was a graduate student 16 years ago people were exploring and doing research in respect of the production of heavy oils, long before Petro-Canada was ever dreamed up. The minister knows that the executive of Pacific Petroleum came to see him two years ago with a proposal to build a heavy oil upgrading plant in Hardisty, Alberta. Knowing that, how he can stand up in the House and say that PetroCan is the company that originated the interest in a heavy oil plant is beyond my comprehension.